PROPERTY NEWS

China's real estate market stabilizes with comprehensive 2024 policy measures

By Xinhua *Time: 2025-01-02*

In late September, a key meeting convened by the Political Bureau of the Communist Party of China Central Committee emphasized the need to stabilize the property market and reverse its downturn.

Industry insiders view this meeting as a critical turning point for the real estate sector, signaling a shift in policy direction. After a year marked by one of the highest numbers of stimulating policies in history, they believe China's real estate industry is now experiencing its most relaxed period in recent years.

POLICY PACKAGE

Since the beginning of 2024, more cities have lifted the restrictive policies introduced during periods of market overheating while also releasing favorable policies.

Based on the data released by the China Index Academy, in the first half of 2024, many second-tier cities such as Suzhou, Hangzhou, Chengdu and Xi'an gradually lifted their home purchase restrictions. In the second half, major cities like Beijing, Shanghai, Guangzhou and Shenzhen took significant steps to relax these policies.

Among them, Guangzhou fully abolished its home purchase restrictions, while Beijing, Shanghai, and Shenzhen notably reduced the residency requirements for non-local residents' purchases. All cities, except for Beijing, Shanghai, Shenzhen, and some areas in Hainan, have fully removed their home purchase restrictions, according to the China Index Academy.

Other landmark measures are the adjustment and optimization of credit policies, to lower the barriers to homeownership and reduce housing costs for residents.

On May 17, the People's Bank of China (PBOC) and the National Financial Regulatory Administration announced that the minimum down payment ratio for individuals' commercial housing mortgages is lowered to 15 percent for first-home purchases. In September, the minimum down payment ratio of 15 percent was extended to second-home purchases.

"This is the lowest down payment requirement in history, which will be very helpful in boosting the property market," said Yan Yuejin, deputy director at E-house China R&D Institute.

Meanwhile, new tax policies have further bolstered confidence in the real estate market.

On Nov 13, the Ministry of Finance, the State Tax Administration, and the Ministry of Housing and Urban-Rural Development jointly released a set of tax optimization policies related to real estate covering deed tax, value-added tax (VAT), and land value-added tax.

For deed tax, the applicable 1 percent tax rate is extended from properties under 90 square meters to those under 140 square meters, with no distinction for first-tier cities.

Regarding value-added tax, after removing the standard for ordinary housing in many cities, a unified VAT policy now applies nationwide, namely sales of residential properties held for two years or more are exempt from VAT.

In keeping with these policy initiatives, local government departments have acted to stimulate demand, reverse the market downturn and stabilize the market.

According to data from the China Index Academy, from January to November this year, over 300 cities introduced more than 700 policies in China, including easing purchase restrictions and optimizing lending conditions.

Together, these efforts are swiftly reflected in the latest market data.

According to the National Bureau of Statistics, the decline in the prices of commercial residential homes in the country's 70 large and medium-sized cities narrowed on a year-on-year basis in November.

Home transactions also showed a turnaround in October, with new home transactions reversing a 15-month decline and rising 0.9 percent year-on-year. The total transactions of both new and second-hand homes grew by 3.9 percent, marking the first increase following eight months of drops.

"In November, the housing price index showed a significant improvement in month-on-month indicators, with a clear narrowing of the decline, signaling that the turning point in national housing prices has arrived," said Yan.

PALPABLE EFFECT

The shift in market sentiment is palpable on the ground. In China's first-tier cities, real estate brokers and homebuyers are sensing a market recovery earlier than expected.

Huo Peng, a manager at an office of China's major real estate chain, Lianjia, in Beijing's Chaoyang District, noted that brokers now update information for clients every two days instead of weekly due to adapting to a fast-paced market.

"The past two months have been the best in a year," Huo said, as brokers now guide double the average number of client visits daily.

Online inquiries at Huo's office have surged from more than 700 to over 1,100 per month, with some deals closing after just a few property viewings. "The market is clearly improving," Huo added.

Recent policy shifts, such as reducing social security requirements for non-locals to purchase homes within

Beijing's fifth ring road, have fueled demand. One of Huo's clients is Zhang Qiang, a new homeowner, who attributed his purchase of a 60-square-meter property for about 2 million yuan ($278,226) to the relaxed eligibility criteria.

Gao Yuan, director of the Beijing Lianjia Research Institute, reported a notable uptick in Beijing's second-hand housing market. From Dec 1 to 15, 9,960 second-hand homes were sold, an 11.7 percent increase compared to the same period in November.

"The housing market in core cities is showing clear signs of stabilization, with residents regaining confidence in property purchases," said Gao. He described the rebound as a result of restored market confidence, suggesting a more sustained recovery.

Xu Yuejin, an analyst with the China Index Academy, also echoed this sentiment.

"With continued price declines in the past, some lower-priced properties in these cities now offer compelling value, which will support sales and prices," Xu said.

He noted that recent policy measures have notably improved residents' expectations, reducing the room for price negotiations in the second-hand housing market. "These factors are likely to aid in price recovery and create a more stable housing market trajectory."

The recovering real estate market in Shanghai has boosted developers' confidence in land acquisition. By the end of November, Shanghai's seventh round of land auctions concluded, with total transactions exceeding 30.7 billion yuan.

Regarding premium rates, seven out of ten parcels achieved premiums, with five parcels seeing rates between 11 and 19 percent and a few surpassing 20 percent.

Notably, a sought-after parcel in the Pudong New Area achieved a 40 percent premium rate, marking the premium rate cap for the popular residential land in Shanghai.

China's big-time developer Poly acquired three land parcels in succession, including in Pudong. This aggressive strategy underscores the company's confidence in Shanghai's real estate market and its future growth potential.

"We observed optimistic sales performance in nearby projects, coupled with future regional development plans and concepts, which bolsters confidence in the parcels' potential," Yu Tian, marketing general manager of Poly Developments and Holdings Group's Shanghai branch, told Xinhua.

Sentiment over property sector seen recovering

Investors looking back at high-quality assets after years of price adjustments

By WANG YING *Time: 2025-02-18*

Six out of 10 investors expect market activity to recover by the end of this year and property investment transactions are projected to stage a growth of 5 percent-10 percent on the Chinese mainland, a report on Chinese investor intentions suggested.

The projection is based on a survey looking to offer an in-depth analysis of investors' views and strategic preferences for en bloc commercial property transactions in China this year, according to the survey published on Thursday by commercial real estate services and investment firm CBRE.

Industrial logistics and rental housing are the most favored types of assets for investors, while retail property investment is expected to continue its positive trend from 2024, according to the analysis.

"Key office buildings in first-tier cities will maintain their attractiveness for both long-term capital and enterprises looking for self-use space," the survey said.

Geopolitics, economic recession and weak rental demand are the top three challenges for commercial real estate investment in 2025. However, commercial real estate remains an important part of investors' asset allocation, as 80 percent of people polled plan to increase or maintain the proportion of real estate assets in 2025, an increase of 5 percentage points from a year ago.

"The attractiveness of China's high-quality commercial property for investment is on a gradual rise after corrections to asset pricing, central bank interest rate reductions, as well as the positive impact of macro incremental policies on corporate and consumer confidence in 2025," said Li Ling, president of CBRE China.

As many as 61 percent of respondents believe that commercial property investment activity will recover by the end of 2025, leading CBRE's forecast for a year-on-year growth of between 5 and 10 percent for en bloc commercial property transactions across the Chinese mainland this year, the survey found.

"After several years of volatility and price adjustments in the Chinese market, some assets have shown higher investment value and they have drawn investor attention," said Eric Pang, head of capital markets for JLL China.

"As investors pay more attention to the operational management capabilities and long-term revenue generation potential of projects, high-quality assets with prime locations, stable cash flow and high value prices will continue to be sought after. Looking ahead, we expect more investors would like to seize market opportunities, therefore driving a recovery in transaction volume," said Pang.

Institutional investors remain cautious about commercial real estate, while private wealth and corporates have become more active, said the latest version of JLL's Asia Pacific Capital Tracker published in January.

"As we enter a new economic cycle in 2025, the influx of capital and competition for high-quality assets will enhance market activity, and signs of a recovery have been seen in investment and trading activity. The real estate market is at a critical juncture in the improvement of the liquidity cycle," JLL said.

Not only are institutional investors more active in key markets, but private buyers are also raising their allocation to prime locations in core markets. It is expected that along with the transaction level rise, investors will be ready to diversify their asset allocations, JLL added.

Li said investors will focus on rental housing, regional shopping malls, high-standard logistics facilities, and Grade A office buildings in first-tier city CBDs with limited supply.

Industrial logistics is believed to continue at its top position among all investment categories, and high-standard warehouses in major Chinese cities are a primary focus, said the report. Rental housing has been the second most preferred category for three years in a row, and 18 en bloc rental housing transactions were registered in China in 2024, with a combined value of 7.5 billion yuan, CBRE said.

The tone-setting annual Central Economic Work Conference in December urged making boosting consumption a top priority for 2025.Retail property is believed to be the third most sought-after category in property investment, particularly regional shopping centers with consistent population inflows, said the survey.

Properties related to life sciences and healthcare ranked in top positions in terms of alternative assets. As the industrial adjustment of the biopharmaceutical sector gradually comes to an end, leading biopharmaceutical industrial clusters in Shanghai, Beijing, Guangzhou of Guangdong province, and Suzhou of Jiangsu province are expected to take the lead in demand recovery, CBRE said.

Its report is based on a survey conducted between Nov 12 and Nov 29, with a total of 125 valid responses.

China's property market forecast to grow in 2025

By WANG YING *Time: 2025-02-28*

Despite challenges such as a complex international environment and challenging internal structural transformation, the Chinese real estate market is expected to be driven upward in 2025 by effective demand, consumption upgrades and technological progress, according to a report.

China's new quality productive forces and improved consumption are anticipated to inject vitality into the economy, making 2025 a year of strength accumulation and energy generation, said the report on the 2025 China real estate market outlook by commercial real estate services and investment firm CBRE published on Tuesday.

Specifically, office demand in major Chinese cities is expected to slightly improve in 2025, with net absorption projected to increase by about 10 percent. Consumption and new quality productive forces will continue to serve as the two major forces in driving demand for office expansion, said the report.

Warehouse demand will remain stable as domestic consumption recovers, while external demand slows. The impact of the 10 percent additional tariffs imposed by the United States on cross-border e-commerce leasing demand will be limited. Tenants' focus on price and quality will continue to influence rents and occupancy in first-tier city clusters.

The central government's measures aimed at boosting consumption nationwide are projected to push up retail sales by 5 percent in 2025, driving retailers to pursue expansion and consolidation, with emotional value and quality consumption emerging as new drivers. Vacancy rates are expected to decline after supply peaks this year.

En-block commercial property transactions in 2025 are expected to improve as asset prices become more attractive and interest rates are further lowered, the report added.

More Chinese cities report rising home prices in March

ByXinhua *Time: 2025-04-16*

BEIJING -- Commercial home prices in March rose in more Chinese cities from a month ago as transactions became more vibrant in the real estate market, data from the National Bureau of Statistics showed on Wednesday.

Home prices in first-tier cities, namely Beijing, Shanghai, Guangzhou and Shenzhen, increased last month compared to February, while second and third-tier cities in general registered narrowed price declines, according to the official data.

China's home prices continue to stabilize in April

Xinhua *Time: 2025-05-19*

BEIJING - Commercial home prices in major Chinese cities continued to stabilize in April, official data showed on Monday.

A survey by the National Bureau of Statistics showed home prices in 70 major cities stayed flat or dipped in April compared with the previous month. The prices continued to fall on a yearly basis, but the pace of decline further eased.

The real estate market remained broadly stable last month, though with variations across different cities, NBS spokesperson Fu Linghui told a press conference.

New home prices in first-tier cities, namely Beijing, Shanghai, Guangzhou and Shenzhen, fell 2.1 percent year-on-year in April, compared with a decline of 2.8 percent registered in March.

New home prices in these cities remained flat compared with the previous month, while second-hand home prices edged down 0.2 percent from March, according to the NBS data.

Home prices in other major cities monitored by the NBS also posted narrowed price declines compared with one year earlier.

The NBS data also revealed a narrowing in the year-on-year decline in the volume of new home sales during the January-April period, compared with the first quarter of the year.

Monday's data added to evidence that the property sector continued to stabilize, lifted by the government's policies unveiled over the past few months to support developers and improve market sentiment.

Since the fourth quarter of last year, the central government has stepped up efforts to halt the downturn of the real estate market.

An integrated policy package has been rolled out to boost investment, accelerate the renovation of old urban neighborhoods, expand the supply of affordable housing, and implement a "white list" mechanism to direct financial support to qualified developers.

Fu said these policies had helped stabilize the real estate market, but stressed that more efforts were needed to ensure the stable and healthy development of the market as adjustments continue.

He noted that the authorities will strive to strengthen policy coordination, increase the supply of "quality homes," and push forward urban renewal projects and the construction of affordable housing.

For the first time, the phrase "quality homes" appeared in China's government work report this year. The report, published in March, called for efforts to "improve the standards and regulations on building quality homes that are safe, comfortable, eco-friendly, and smart."

Steps afoot to remedy property slump

By Wang Keju *Time: 2025-07-10*

After property's traditional peak sales season in March and April, the momentum of China's real estate market has been showing signs of weakening of late, raising the need for more forceful policy support to prop up sustainable recovery in the second half, analysts said.

Amid changes in the supply-demand relationship in the sector, policymakers should now focus on both stimulating demand and improving the quality of supply to achieve long-term stability, they added.

The average new home price in 70 cities monitored fell 0.22 percent in May compared to the previous month, while the second-hand market price declined by 0.5 percent, according to data released by the National Bureau of Statistics in June.

"Both the figures showed the largest single-month drops so far this year," said Chen Wenjing, director of policy research at the China Index Academy.

The State Council made it clear during an executive meeting in mid-June that policymakers will intensify efforts to "stabilize the property market and halt its decline" through multipronged measures.

A comprehensive nationwide survey will be conducted on land parcels already allocated for real estate development and ongoing construction projects. Existing policies must be further optimized to enhance their systematic implementation and effectiveness, it was announced at the meeting.

"China's real estate market remains in the midst of a broader adjustment process, with market confidence still in the repair stage and supply-demand dynamics yet to be fully addressed," said Fu Linghui, a spokesman with the National Bureau of Statistics.

"Ensuring stabilization of the housing sector and reversing the recent downward trend will require continued and concerted efforts," Fu said.

Experts cautioned that the property industry's extensive links with other sectors — such as construction, manufacturing, finance and consumer spending — underscore its outsized importance in driving broader economic growth and development.

"The policymakers' directive to intensify efforts in implementing stabilizing measures points to a keen awareness of the need to address the market's recent volatility," said Chen.

Property researcher CRIC said that in the first half, local governments across the country introduced 362 policy measures to stabilize the real estate market. They have collectively purchased idle land parcels of around 9,553 hectares, with a total funding allocation of 469.6 billion yuan ($65.6 billion).

Li Yujia, chief researcher at the residential policy research center of the Guangdong Planning Institute, said that first-tier cities like Beijing and Shanghai still have room for easing purchase restrictions, which could potentially unlock over 10 percent in additional housing demand.

The betterment of property conditions in these economic hubs will have a ripple effect on driving the stabilization and recovery of housing markets across smaller cities, Li said, adding that these lower-tier cities could also extend tax incentives for residential purchases and implement programs to renovate urban villages and dilapidated housing.

While demand-side measures are crucial, equally important is the need to enhance the supply-side through improved housing quality and better alignment with evolving residential preferences, analysts said.

Released by the Ministry of Housing and Urban-Rural Development, the upgraded national standards for residential projects came into effect on May 1, covering seven aspects including living environment, building space, structure, indoor environment and building equipment.

ECONOMIC NEWS

Foreign experts voice confidence in China’s 2025 economic growth

By Xinhua *Time:2025-3-11*

China’s 2025 economic growth target of around 5 percent is a reasonable and attainable goal that will bolster confidence and stability amid mounting global uncertainties, international observers have said.

The world is watching this year’s “two sessions” closely, eager to know China’s economic growth target the government sets for 2025, said Wolfram Elsner, a professor of economics at the University of Bremen in Germany.

Regarding the growth target officially announced last week, Elsner described it as “definitely reasonable.”

John McLean, chairman of the China-Britain Business Development Center, said the new economic target signals “confidence in stabilizing growth despite external uncertainties.”

China’s gross domestic product grew 5 percent year on year last year, ranking among the world’s fastest-growing major economies.

It is believed that China, as in the past, will successfully achieve this year’s goal, which is grounded on an objective analysis of its domestic conditions and a realistic assessment of the global situation, said Marcelo Rodriguez, a member of the Central Committee of the Communist Party of Argentina.

Pedro Steenhagen, director of development at Brazilian think tank Observe China, noted that China’s growth target for 2025 highlights the government’s focus on both the pace and quality of growth, serving as a crucial guide for economic development.

“China is on the right path of development,” as it actively advances technological innovation, green development and social inclusiveness, said Steenhagen.

James Shikwati, a Kenyan economist, said that as the world’s largest developing country, China leverages its vast population and rising consumer demand to expand its domestic market, gaining strong economic growth momentum.

The Chinese government emphasizes leveraging market mechanisms to guide resource allocation, enhancing economic efficiency and development quality, said the economist.

Amid rising global uncertainties, China’s stable development serves as a key anchor for global economic stability, said Frank-Jurgen Richter, chairman of the Zurich-based think tank Horasis.

China’s 2025 growth target is not only pivotal for its domestic progress but also a key benchmark for global market outlooks, investment confidence and the stability of supply chains, Richter said.

China contributes roughly 30 percent of global economic growth, holding a significant position in the world economic landscape, said Steenhagen, echoing Richter’s opinion.

The 2025 growth target will help boost international market confidence, reduce global economic volatility, and support world economic recovery and sustainable development, Steenhagen said.

GDP goal for 2025 may stay at around 5%

By Guan Tao *Time: 2025-02-10*

The latest forecast from the International Monetary Fund suggests global economic growth will remain steady, with a projected growth rate of 3.2 percent in 2025.

Growth rates for developed economies and emerging markets are expected to be 1.8 percent and 4.2 percent, respectively, unchanged from the previous year.

However, the IMF also highlighted significant downside risks to the economic outlook, including the escalation of geopolitical conflicts that could further disrupt energy markets, the adoption of harmful trade and industrial policies by various countries, prolonged tightening of monetary policy, and the possibility of a sudden tightening of global financial conditions. US President Donald Trump's administration will also be a key factor influencing the global economic outlook.

On the one hand, under a weak global economic backdrop, energy price growth is likely to slow down, and US rental prices may lead to a decline in housing inflation. As a result, US inflation is expected to continue to ease, and the US Federal Reserve is likely to continue interest rate cuts. However, the Trump administration's fiscal expansion, immigration policies and trade practices could pose a risk of inflation rebound, limiting the Fed's ability to reduce rates further. If the Fed maintains restrictive monetary policies for an extended period, it could increase the downside risks to the US economy and raise uncertainties around a "soft landing".

On the other hand, during his campaign, Trump threatened to impose high tariffs on all imports, with particularly aggressive trade policies toward China. Such tariff policies have already triggered retaliatory measures, and could trigger more from other countries, severely impacting global trade growth.

From a bilateral trade perspective, the trade imbalance between China and the US has significantly improved since 2018. According to US statistics, China's share of US imports dropped to 13.7 percent in 2023, a decrease of 7.7 percentage points from 2017. Additionally, the US trade deficit with China as a share of the total US deficit dropped by 20.7 percentage points to 26.2 percent, marking the lowest level since 2005. These figures suggest that the US has little political gain in continuing to pressure China on trade issues. However, "Trump 2.0's" push for higher tariffs on Chinese imports could escalate economic and trade tensions. While China's reliance on US exports has decreased, the imposition of high tariffs on goods produced in China and reexported to the US through third countries could still have a significant impact on China's export-driven economic growth.

In the second half of 2024, China's government repeatedly emphasized the need to strengthen macroeconomic policies, enhance countercyclical adjustments, and effectively implement existing policies while introducing new measures to boost growth. It is expected that China's fiscal and monetary policies will remain supportive in 2025, with a focus on improving people's livelihoods and stimulating consumption. In the final year of the 14th Five-Year Plan (2021-25), maintaining stable economic operations is crucial for coping with external risks and setting the stage for a strong start to the 15th Five-Year Plan (2026-30). The economic growth target for 2025 is likely to remain around 5 percent.

Amid policy support, consumption recovery will gradually strengthen. Since 2024, various policies aimed at boosting consumption have been rolled out, with notable measures like the policies to support trade-in deals for consumer goods. These policies are expected to further stimulate purchases of cars and home appliances. In September, the central bank announced a lowering of mortgage rates for existing home loans, which helps further support consumer spending. Moreover, the two additional statutory holidays in 2025 are expected to boost consumer expenditure. However, compared to investment, consumption is a slower-moving variable, with recovery mainly constrained by income growth. In 2024, wage incomes and net property incomes had slowed, with net property income growth hitting a historic low of 2.2 percent. Considering supportive policies for the real estate and capital markets, however, property-related income may increase, helping drive gradual consumption recovery.

Real estate market is expected to stabilize and recover. In September 2024, a meeting held by the Political Bureau of the Communist Party of China Central Committee said efforts should be made to reverse the downturn of and stabilize the real estate market, signaling a clear policy shift. According to the Ministry of Housing and Urban-Rural Development, the transaction volume of new homes in China went up 0.9 percent year-on-year in October last year, marking the first growth after 15 months of decline. The policy effects are expected to continue into 2025. Notably, the government's strategy of soaking up unsold inventories has played a key role in stabilizing the market. However, the effectiveness of this policy has been limited due to insufficient price adjustments, making it difficult to price properties reasonably.

Manufacturing and infrastructure investments are expected to remain key supports for growth. Although the slowdown in export growth may suppress manufacturing investment, the Ministry of Finance indicated in early November that fiscal policies would be more supportive of large-scale equipment upgrades, helping to maintain high growth in manufacturing investment. This has been reflected in a 15.7 percent year-on-year increase in the investment on purchases of equipment and tools in 2024, 12.5 percentage points higher than the overall investment growth rate. Infrastructure investment is expected to be supported by multiple factors, including the country's local debt package, which will free up fiscal resources to support infrastructure projects. Additionally, major projects under the 14th Five-Year Plan are expected to accelerate this year.

In 2025, global uncertainties will significantly increase, with the Trump administration's policies emerging as a key variable affecting the global economic outlook. Earlier this month, the US imposed a 10 percent additional tariff on goods imported from China, as well as 25 percent tariff on goods from Mexico and Canada. In 2025, China's economy is expected to experience a gradual recovery in consumption, a stabilization in real estate market, and manufacturing and infrastructure investments will remain key for supporting China's economic growth.

To maintain steady economic growth amid external challenges, it is essential for China to intensify countercyclical adjustment of its fiscal and monetary policies and focus on boosting consumption and improving people's livelihoods. The space for fiscal easing has expanded, particularly with the recent decline in long-term government bond yields. Inflation concerns will be addressed when they arise, but for now, stabilizing the economy, mitigating risks and improving expectations are the priority. Only so can China build the resilience needed to respond to external shocks. Additionally, recent shifts in macroeconomic policy and the domestic economic recovery offer valuable time to advance structural reforms, including deepening fiscal and tax system reforms and fostering new quality productive forces according to local conditions.

Furthermore, China should actively manage external risks and mitigate the negative impact of "Trump 2.0". To avoid further trade conflicts, China should work to influence US policymakers, guiding both countries toward more cooperative trade policies. Moreover, China must remain vigilant, monitoring developments in US economic policies and preparing for potential challenges, strategically seizing opportunities even in the face of difficulties.

China's new consumption policies cover stock, real estate stability for first time

ByXinhua *Time: 2025-03-18*

BEIJING - China's latest plan to expand consumer spending, unveiled on Sunday, emphasizes for the first time the need to stabilize the stock and real estate markets, an official said on Monday.

To this end, the plan outlines measures to boost consumer confidence and stabilize expectations, according to Li Chunlin, deputy director of the National Development and Reform Commission.

Previous consumption policies primarily focused on the supply side, emphasizing that supply drives demand creation. However, the latest policies also prioritize the demand side, aiming to boost household incomes and ease financial burdens, Li noted.

He cited measures such as reasonable wage growth and scientifically adjusted minimum wages, both highlighted in the consumption support plan.

To enhance property income, the plan calls for a multifaceted approach, including stabilizing the stock market, strengthening strategic reserves and market stabilization mechanisms, and accelerating the removal of barriers preventing long-term funds -- such as commercial insurance, the national social security fund, and the basic pension insurance fund -- from entering the market.

To better meet housing consumption needs, efforts will focus on curbing the downturn and restoring stability in the real estate market, according to the plan.

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